

## Normalcy returns to garment factories

### For a new beginning of worker-management relationship

IT is good news that some garment factory owners have already opened their units located in the city and in Dhaka EPZ despite thin presence of workers after the three-day carnage. The security now being provided at the industrial units by the authorities has been appreciated by the leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and we believe this would go a long way in restoring confidence in other owners and workers to start work in full swing.

While we welcome the tripartite meeting that was held among the government, BGMEA and trade union leaders on Wednesday, and the assurance given by the employers of full payment of wages for the current month, we would like to remind all that the common practice is not to follow up on the agreements and promises once the crisis is sufficiently defused. There are examples of employers throwing such agreements into cold chambers. But, we believe, this time the messages were louder and clearer than ever before.

At the same time we would like to know more about the true identity of the 'outside' elements who purportedly worked from behind to instigate the workers. This cannot be taken as a passing comment, especially when it came from responsible people like ministers. The pertinent question is: Has the government been able to identify them by now? Our question is based on the fact that the state minister for home affairs has admitted to having intelligence report on such conspiratorial activities going on in the industrial zones.

Whatever had triggered the outburst, the fact remains that there is a huge stockpile of grievances among the workers in the readymade garments sector. Complaints abound of very low salary, unhealthy working conditions and no employment rules in existence in these factories. Besides, the tragic incidences of workers being beaten to death for alleged theft or left trapped behind locked doors while a fire raged or trampled to death on narrow staircases because of absence of emergency fire exits do not paint a pretty picture.

We strongly feel that wild conjectures as to the cause of the recent labour violence will not resolve the issues. First and foremost what is required is the mindset to listen to the grievances of the workers. Such positive attitude on the part of the employers would eventually lead to an amicable solution.

## A price regulator in wilderness

### TCB needs to be reinvigorated

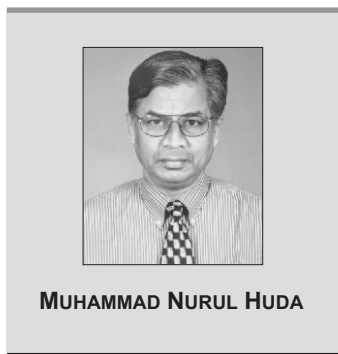
THE Trading Corporation of Bangladesh (TCB) is today a mere shadow of its former self. It is thoroughly mismanaged, has gone into the red and virtually maintains a signboard existence. Its primary role as a government importing agency has virtually shrunk into having a whiff of a negligible market share in the face of free market operations where private sector importers rule the roost. Even in its crisis management role of strengthening the supply side of commodities running into deficit owing to underproduction or manipulative hoarding it is not being able to play its due part.

All this is because of its deliberate marginalisation in the commerce ministry and internal corruption and mismanagement within the TCB. As a case in point one can cite the instance of TCB importing pulses and by the time the consignments arrived, their prices in the local market fell. They had two choices: either they sold off the stock at prices lower than the price at which they had imported or waited till the prices increased to enable them to meet up the costs, at the very least. What actually happened was foot dragging that eventually saw the pulses rotting.

Set against this backdrop, a parliamentary body has grilled the commerce ministry and TCB for their 'inaction' in checking the prices of essentials despite having a taka 100 crore worth of funds to import goods and bolster supplies by way of keeping at bay the manipulative practices of the vested interest groups. It is alleged, not without foundation, that the TCB was deliberately sidelined so that the so-called syndicates responsible for price hikes could have a field day. Free hand they indeed have had.

Needless to say that all this points to the imperative necessity for revving up the TCB with a clutch of experts, devolution of adequate power from the top, specified terms of reference, and, above all, an in-built accountability to the parliament.

# Two contrasting democracies



MUHAMMAD NURUL HUDA

THE staggering success of the left front in the recently concluded State Assembly elections in West Bengal has left a deep imprint on the discerning political observers in many countries including Bangladesh. Thought provoking articles have appeared in newspapers highlighting the causes of continued success of the left front along with the lamentation that we in Bangladesh, having substantial commonality of culture with the general population in that part of India, cannot lag behind. Pundits and commentators have somberly impressed upon the imperatives of taking lessons from the neighbourhood to strengthen our less-than-stable democratic policy.

One may, however, say that genetically speaking, the native abilities and endowments of the Bengali speaking inhabitants of Bangladesh and West Bengal are not very different and therefore, there does not appear to be any convincing reason for Bangladeshis not being able to achieve what has been made possible in West Bengal. But is the situation on ground that simple? One may not feel very assured upon deeper analysis of the objective situation and judging things from a historical perspective.

If education is considered a largely determining factor in ushering political enlightenment then one must not forget that Bengali Hindus in large numbers took to Western liberal education from mid-19th century. Their nationalistic sentiments were very mature as early as the beginning of 20th century when many young men sacrificed their individual and family interests at the call of political leaders. The so-called terrorists, who were actually brave and defiant

freedom fighter, were without exception Bengali Hindus. Their supreme sacrifices are now part of inspiring history.

As against the above fact, Bengali Muslims started receiving the benefit of liberal education in some significant manner only after the enactment of Government of India Act, 1935 when Bengali Muslim leadership found itself in a vantage position to do some good to their co-religionists. The partition of India in 1947 greatly widened the opportunities of emancipation for the Bengali Muslims but it

experienced fifteen years of autocratic and authoritarian rule and as such the tyrannical predilections of supposedly democratic governments should not appear surprising. Autocracy and authoritarianism has brought the tone of public life to an all-time low. We have democracy without meritocracy. Ignorance, incompetence and dishonesty are not disqualifications for high public office, either in the ministerial ranks of elsewhere. In the absence of democratic practice for a long time we have subordinated the individual to the

seen to be so manifestly upright. This has been possible because the regulatory authorities have not been politicised and the distinction between private desire and public propriety has not been blurred. Constitutional positions retain their halo and service ethos remains unblemished.

The illiterate intelligence of our masses has been reflected in most elections but the educated incapacity of our intelligentsia could not appreciate it and hardly ever foresaw it. Our free nation was stifled by indigenous

knowledge and others have power.

Politics in Bangladesh has three basic ingredients. It is statemental, it is superficial in character as it does not reflect the ground reality and finally, it is visionless. Our politicians seldom talk in terms of issues, blueprints, action plan and targets. Issues which affect the day to day life of ordinary Bangladeshis hardly get any attention even from our educated classes.

In West Bengal, politicians have addressed the core issues. For example, 'Operation Barga' has

have emerged in our urban centres and if this is the result of institutional weaknesses or there are other reasons? If we restrict politics to politicians and their tantrums, and intermittent interventions by the military, then it will be reduced to a spectator sport. It will mean that we have no role in selecting players or any part in the business of politics. We have to ask for amenities as a matter of right, services in return for tax payment, respect and dignity as a citizen. We should seek ideas from leaders and not favours, and concrete action instead of loaded rhetoric.

If we want lessons from West Bengal then we cannot allow our politicians to use power to make private gain. The distinction between public property and private gains must be effectively established through a system of accountability. We would need a neutral civil service selected on the basis of a competitive examination, delegation of powers, local self-government and an independent judiciary.

The politician who has no track record of solving the problems of his hometown cannot be expected to solve intractable problems at the macro level. The legislator who is keen in the import of duty-free car and does not pay his telephone bill cannot be a real guardian of the people. The politician reputed for the single-minded pursuit of money is the real villain.

People and their leaders in West Bengal are perhaps taking lesser wrong turns at the crossroads and are hopeful of a bright future. In Bangladesh we can overcome the adversity if we do not let ourselves be corrupted by cynicism.

Muhammad Nurul Huda is a former Secretary and IGP.

was the emergence of independent nation state of Bangladesh in 1971 which assured unencumbered patronage and State support for the same community. Broadly speaking, that much is history.

The important aberration that appears to be lost on many concerned individuals is that during the twenty four years of our existence in Pakistan, it was mostly the military and authoritarian rule which did not allow the growth and nurturing of democratic ideals and practices. In fact, the State of Pakistan disintegrated in 1971 because people's power was not acceptable to the military junta. Fortunately enough, the Bengali Hindus in West Bengal did not have to undergo any such ignominy. This scenario must be kept in view when one ventures to proffer advice on taking lessons from the Assembly elections in West Bengal.

When a population takes to liberal education later than desirable and does not breathe in democratic environment, its growth will be stifled, thereby giving rise to many abnormalities and deformities. In independent Bangladesh, too, we have

State so completely that, with some exceptions, the nation is now made up of one-dimensional men. Our State is dwarfing men without realising that no great thing can really be accomplished by small men.

We have willy-nilly embarked upon a crash programme of institution-bashing which appears to be a favourite pastime of political parties. We have devalued the judiciary, as we have devalued every other important institution. Instead of defending our judges against political pressures and threats, instead of insisting upon integrity and impartiality in judicial appointments, we have permitted the executive to appoint men who subscribe to the philosophy of the ruling party. The political and constitutional malaise is not recognised.

As against the above, the West Bengal scenario does not need the umbrella of a caretaker government to oversee elections because their institutions have not been experimented with and made disgracefully servile like ours. State Assembly Elections have been held on five different dates and Election Commission's authority has been

autocrats through its own apathy, follies of irresponsible utterances by strong headed dictators and brute force. History will also apportion the blame and the responsibility among a wide spectrum of the elected representatives who have betrayed their trust.

In West Bengal one cannot fail to be struck by the simplicity of the lifestyle of the politicians including the ruling party executives. Many live in rented houses while a good number of them do not own any property in State capital. Most people including the politicians have to pay their taxes and it is difficult to live comfortably beyond known sources of income. In fact, humility is the hallmark of many of their leaders as against the conspicuous consumption and ostentatious living of our politicians. There, half-educated brats cannot occupy the centre stage of politics by virtue of blood relationship or by illegally amassing wealth. Their democratic progress has been ensured by the combination of knowledge and power in the same individuals whereas our scenario is symptomatic of a grave crisis where some have

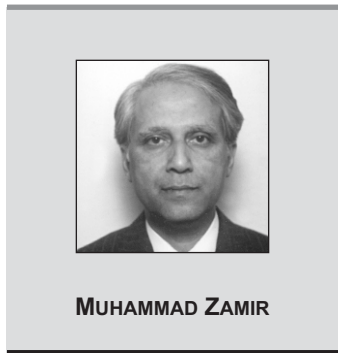
given the farmer his reasonable due and has solidified his socio-economic position and in the process strengthened and extended the electoral base of left front. The extra emphasis and allocation of resources for education has helped in the creation of an enlightened democratic polity that has not forgotten the benefactor. Politics has not remained restricted to formation of governments, press conferences and statements of political leaders only.

The leaders of West Bengal consider their country as their mother and this bond has a moderating and civilising influence on their conduct. Their legislators are not primarily businessmen like some of ours.

It is time to realise that politics is taking one's agenda in one's own hands. It is about the process of change; how society is organised; what is its power structure; who are the actors. It is about social responsibility, about participation, about inclusion, ideas, new concepts and their implementation.

We cannot exclude social organisation from the purview of politics. We must know why different 'mafias'

# Japan's relations with China and India: Future prospects



MUHAMMAD ZAMIR

THE entire world has been following with great interest the rapid rise of both China and India. Their interaction with Japan also continues to draw attention not only within Asia but also in the European Union and in the USA. The latter, in particular, have for the past decade become enmeshed in Asian issues, not just because of the inevitable trade and economic links, but also because of their greater involvement in global security concerns.

The three regional powers – China, India and Japan – are casting their own shadows and their strategic interests are creating their own dynamics in international relations. Their respective economic developments are also generating consumer demand and employment throughout Asia. This in turn, is affecting competition as well as the process of foreign direct investment as a factor for spurting growth.

The rise of Asia, which roughly started in 1960-70, was largely due to the Japanese economic miracle. This format collapsed in 1997-98, with meltdowns in Republic of Korea, Indonesia and Thailand in particular. Asia however now appears to be again on the rise – this time thanks to the boom in China and India.

Japan has watched India's rapid growth with great care but not with any degree of anxiety. She knows India is

not, at this point of time, a threat, as most of its goods and services are still geared towards domestic consumption. Japan seems to be more concerned of the Chinese boom. This burgeoning rivalry has also highlighted the continuing historical tensions between the two countries.

Japan is faced with a dilemma. On the one hand Japan realises that the resurgent bilateral trade relations with China has helped to reduce recession and generate employment within Japan. On the other, she understands that, in all likelihood, the Chinese economy will surpass that of Japan in

serious concern in Tokyo over China's military capabilities and its intentions.

Mr Okamoto, former Special Adviser to Japanese Prime Minister Koizumi, speaking recently in Brussels, has made certain interesting observations. He has noted that Japan had recently endured two "shocks" in Asia. The first was the violent anti-Japan demonstration in China, and the second was the lack of support in the region for Japan's bid for a permanent seat on the United Nations Security Council.

According to him, the demonstra-

Chinese know that the Japanese establishment is irritated with their approach, but they feel that Japanese regrets are not sufficiently sincere.

Signs of the other shock, (according to Okamoto) was evident in the fact that eventually only a few countries backed Japan's bid for a permanent seat in the UN Security Council. This, according to him was a "great embarrassment" for Tokyo, particularly, the lack of support from those, who had benefited so much from Japanese investment over the past decades. Analysts have since come to the conclusion that such a course resulted

weak and stagnant India.

Both United States and the EU realise that what they do, or do not do in Asia, will have a major impact. Consequently, through a flurry of visits, both the EU and the USA have decided to "put the picture together" through the launch of a strategic dialogue, which will create a stable geo-political balance in Asia. It is also being hoped in this context that the simmering rivalry between China and Japan and to a lesser extent between Japan and Korea will be kept under wraps through the APEC and the ASEM mechanism.

China. As expected, this has not endeared relations of Japan with China, who has described such a step as another example of resurgent nationalism in Japan. It has also been seized upon by China as proof of rising 'military ambitions' on the part of Japan.

Nevertheless, one thing is very clear. Despite all the hard talks, Japan-China business relations are much better than the political mood, with 200 billion dollars of bilateral trade a year – something nobody wants to see put at risk.

India, China and Japan all know, that the future equation in Asia as well as in the neighbouring regions, will be greatly influenced by their inter-active relations. Japan, technically, is far ahead of the pack. Their ability to invest and also provide technical know-how has given them an edge. Japan, however, is gradually realising, that they cannot stay away totally from the fray despite all the latent controversies.

Economic powers like Singapore, Republic of Korea and Malaysia on the other hand are watching from the sidelines very carefully. Their policy planners know that what transpires over the next decade will determine the course of international relations in Asia for the rest of this century.

Muhammad Zamir is a former Secretary and Ambassador who can be reached at mzamir@dhaka.net

the next decade or two, thereby creating its own regional dynamics.

It would of course be useful to note here, that at this moment, the Chinese economy is only one third the size of Japan's. That is not insignificant. It has made China the world's second largest importer of oil after the US. It is also a nation with a labour force of the size of three European Union. In fact, statistics indicate that in 2004, it accounted for 40 percent of the world increase in consumer demand.

This upsurge on the part of China is also creating a different kind of anxiety among Japanese economists. They are beginning to debate the question as to whether China will abide by the laws of comparative advantage. To this has been added the other factor –

tions reflected China's increasingly aggressive attitude towards Japan – something Mr Okamoto acknowledged might be connected to Japan's imperial expansion in the early 20th century. He felt that reconciliation had remained incomplete between the two countries, with successive generations of Chinese still antagonistic towards Japan.

In this context, he also highlighted the 'problem' related to the Chinese education system, which 'exaggerates the scale of Japanese atrocities during the Second World War.' He also expressed his disappointment that the Chinese continued to refuse the 'apologies that had been made for the actions of previous generations by the Japanese political leadership.' The

from the reluctance of many Asian nations to 'take on' China by siding with Japan.

One presumes that confronting the legacy of the past, on the part of China and Japan, will require a better and more accurate understanding of what actually happened without any glossing over or distortions of historical facts. This has become that much more important giving the fact that Asia's future depends on necessary adjustments. All of us have to remember that the best scenario for the region would be the establishment of a multi-polar group of nations committed to free trade, built around Japan, Republic of Korea, China and India. The worst scenario would be a wobbly Asia caused by an unstable China or a

It is generally believed that Japan has decided to enhance its strategic relationship with India not only out of its own desire to contain future Chinese influence in South Asia but also because Japan has been persuaded to do so by the United States. This, in a manner of speaking, may be even termed as anticipatory self-defence. Japan has provided billions of dollars in aid to China, but has also watched with growing concern China increase its defence spending. Japan's defence budget, meanwhile, has been steadily decreasing as a percentage of her GDP.

This anxiety on the part of Japan has been translated into her creating a proxy support for Taiwan in that island's relationship with mainland

# TATA's revised proposal and price of gas

ALI IDRIS

IN the revised investment proposal of TATA many attractive ingredients have been added which have made the proposal an lucrative one. These are (1) investment amount of US dollar 300 crore instead of 250 crore, (2) gas supply guarantee of 10 to 14 years instead of 20 years, (3) offer of 10 per cent equity to the Government of Bangladesh etc. But the proposed formulae of determination of the sale price of gas seems to be complicated.

## Gas price

TATA seems not to have enhanced the purchase price of gas effective from day one. It has proposed to offer US dollar 1.50 per thousand cft of gas as before during the first 5 to 6 years. Later after 5 to 6 years TATA has offered to enhance the purchase price in the range of US dollars 2 to 4 per thousand cft. This price will be swinging between minimum 2 dollars and maximum 4 dollars according to price of products prevailing in the

international market. This policy seems not to be so transparent and straight forward.

During the next 5 to 6 years' period, the demand of gas in Bangladesh and outside will go up manifold. Simultaneously cost of production and distribution will also go up. Consequently the price of gas for consumers at homestead, industries, factories, vehicles machineries etc will have to be increased. During this long period if TATA pays for gas at US dollar 1.5 per unit then the country may be economically losing due to under-pricing. We have been observing that the price of fuel oil in the international market is going up almost every day. If this trend prevails and it is very likely that it will, then price of fuel oil will have to be increased every year substantially inside the country.

Gas is a cheaper substitute of fuel oil the demand of which will have sharp elasticity against the increase of price of petrol and diesel, as such its price will also go up invariably every year. In that context, selling gas

In Canada, USA and other countries of the world reportedly the reserves of petroleum and gas are kept untouched, instead the energy is imported from outside. The trick may be, when reserves in the Middle East or other oil producing countries will be exhausted, they will use their own oil and export it at exorbitant price. The gas reserves of Bangladesh are its invaluable asset due to which TATA has come for investment, others will also come in future. Hence it is our sacred duty to ensure that by selling gas to TATA and other prospective investors at concessional price the country is not deprived of the due benefit from gas.

to TATA at the constant price of US dollar 1.50 per unit for long 6 years will tantamount to selling gas at the price of water. Moreover, current selling price of gas for fertiliser factories is US \$ 3.10, steel mills US \$ 2.60, electricity plants US \$ 2.79 per thousand cft. Compared to those prices price offered by TATA is undoubtedly lower. A contracted guarantee for supply of gas to TATA continuously for 10 to 14 years itself is a special privilege for TATA because it is not given to other industries. In this consideration further reduction of gas price for will be an

extra financial gain for TATA but a financial loss for the country.

Hence it would be more prudent to sell gas to TATA at the same price as applicable for similar industries at home and abroad from time to time. Moreover the policy of determination of gas price pursuant to price of products in the international market is not commonly practiced, so it may not be followed by us too.

## Guarantee for supply of gas

Gas is the only natural energy of Bangladesh. It should be called

gaseous gold. The rate at which energy price in the world is increasing is alarming. Gas as an alternative energy might save the country one day in future from energy crisis. Currently we can observe that CNG is 70 per cent cheaper than petrol. That is why demand for CNG is going up every day, more and more vehicles are being converted into CNG daily. The number of machinery like generators, chillers, boilers electricity plants which are being run by gas are also going up every day because of cheaper gas compared to diesel. The people of North Bengal are yet to get

gas for their home use. They cannot be left deprived for years. The peasants have themselves discovered to run their irrigation pump and tractor with cylinderised gas having been compelled by shortage and high price of diesel. Some trains had stopped running due to shortage of diesel. May be one day all trains will run by gas because of cheaper cost.

So we can foresee an era of natural gas as energy in the country when all vehicles, locomotives, machinery, plants and factories, cookers at home etc, will run by gas instead of petrol and diesel. That

day the country will save foreign currencies worth Tk 15,000 to 30,000 crore yearly by way of not importing petrol and diesel. But this huge amount of supply of gas will gradually exhaust the reserves under the earth which is estimated at 20 to 30 TCF. TATA alone may need an estimated amount 2.16 TCF gas in 14 years. Not only for future generation but also as business policy it is necessary to preserve the gas reserves under the earth.

In Canada, USA and other countries of the world reportedly the reserves of petroleum and gas are kept untouched, instead the energy is imported from outside. The trick may be, when reserves in the Middle East or other oil producing countries will be exhausted, they will use their own oil and export it at exorbitant price. The gas reserves of Bangladesh are its invaluable asset due to which TATA has come for investment, others will also come in future. Hence it is our sacred duty to ensure that by selling gas to TATA and other prospective investors at

concessional price the country is not deprived of the due benefit from gas.

## Conclusion

During 2001 when UNOCAL offered to export gas to India some people became anxious to implement the proposal without calculating the cost/benefit implications. At that time I had presented a cost/benefit analysis in The Daily Star and recommended that the national committees should do their studies and decide about the matter. Luckily the committees didn't recommend the export. Now also I request that a national committee comprising expert professionals should be formed and given the responsibility of carrying out an analysis and pass their recommendations before a decision is made.

Ali Idris FCA is a freelance contributor